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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA

Volume 1

July 1957

Number 12

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS  
Federal Order No.100, 3756 Ringgold Rd., Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

MARKET SUMMARY JULY 1957

The Chattanooga Tennessee order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$4.96, Excess Milk \$3.00. The butterfat differential is 7.1 cents for each one-tenth of one percent above or below 4.0%. (See page 3)

During July 74.8% of the total producer milk was priced in Class I at \$5.28 per cwt. with a butterfat differential of 7.7 cents and 25.2% was priced in Class II at \$3.04 per cwt. with a butterfat differential of 6.8 cents. The percent of producer skim and butterfat priced in Class I was 75.2% and 64.2% respectively. Base milk was 86.4% and excess milk was 13.6% of the total producer deliveries. All excess milk and 13.5% base milk was priced in Class II and 86.5% of base milk was priced in Class I. The daily average base delivered was 89.4% of the established base.

The daily average deliveries of producer milk during July decreased 4.8% compared with June and the daily average use of Class I milk increased 4.1% compared with June.

The Order MINIMUM Class I price for August is \$5.28 (Basic formula \$3.53 plus \$1.75 Class I Differential). The Class I price did not change from last month. The butter-powder formula price of \$3.53 per cwt. being the highest of the four alternate price formulas was used to compute the Class I price for August.

BASE NOTICE

Each producer for the Chattanooga marketing area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1958. The 1958 daily average base will be computed by dividing each producer's total milk deliveries to pool plants during September 1957 through January 1958 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. From August 1957 through February 1958, producers will be paid a uniform blend price for their total milk deliveries. Milk bases should be in the correct name of person or persons for whom BASE CREDIT is to be given.

July Classification of Base and Excess Milk (Daily Average)

	Producer total		Producer Base		Producer Excess	
	Pounds	%	Pounds	%	Pounds	%
Class I	279,329	74.8	279,329	86.5	-	-
Class II	94,246	25.2	43,469	13.5	50,777	100.0
Total	373,575	100.0	322,798	100.0	50,777	100.0

ACTIVITIES OF CHECK TESTERS JULY 1957: Plant calls 125; Plant Scales checked 11; Samples tested - Composite 2369, Fresh 4,891, Finished Products 169.

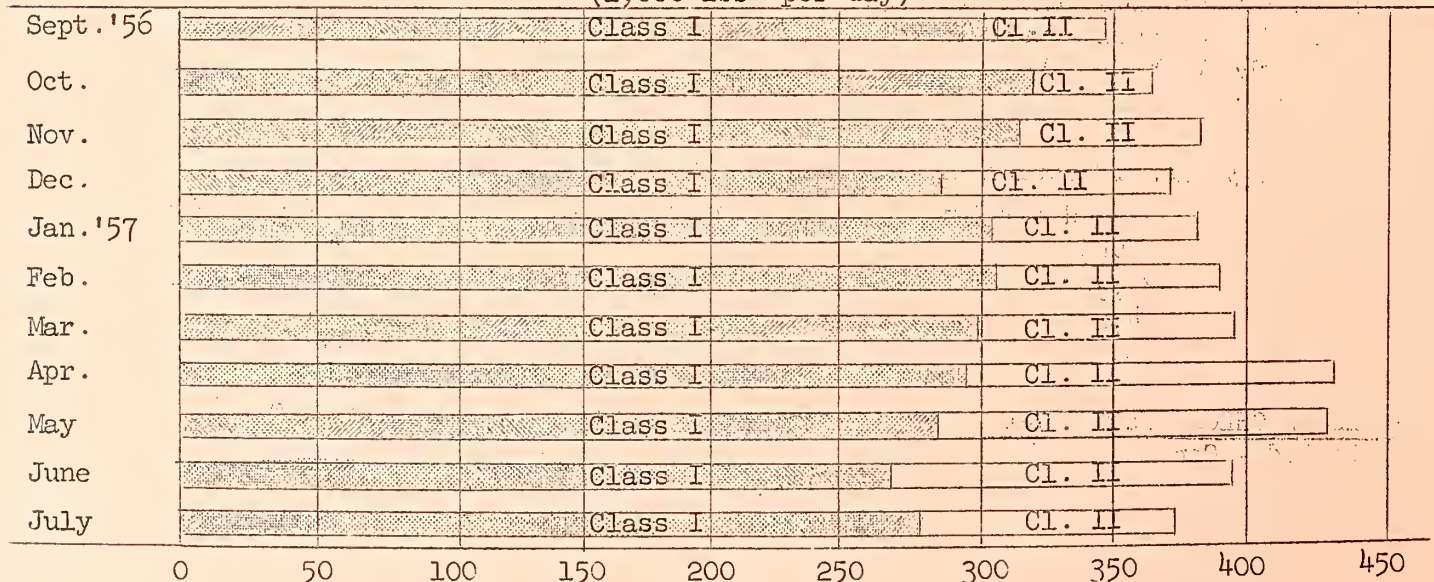
## COMPARISON OF MILK RECEIPTS AND UTILIZATION

	July '57	June '57	May '57	Apr. '57
	21	20	20	20
Number of Plants (Pool and Non-Pool)				
<u>GROSS RECEIPTS (DAILY)</u>				
Producer Milk Pounds	373,575	392,416	429,684	436,110
% July '57 compared with:	100.0	95.2	86.9	85.7
Other Source Milk Pounds	23,699	23,105	23,902	23,064
<u>TOTAL MILK POUNDS</u>	397,274	415,521	453,586	459,174
% July '57 compared with:	100.0	95.6	87.6	86.5
<u>GROSS UTILIZATION (DAILY)</u>				
Class I Milk Pounds				
Fluid Milk	238,984	234,541	252,434	261,010
Buttermilk	35,136	35,621	35,921	36,539
Chocolate Milk	7,289	6,679	6,462	6,726
Fluid Skim	4,780	4,705	5,134	5,307
Fluid Creams	1,892	1,889	2,424	2,153
Bulk Milk and Cream to Non-Handlers	4,768	359	309	224
Class I Shrinkage	4,780	2,202	2,683	1,946
Inventory Reclassification	(238)	(330)	(839)	(593)
Overstated Sales	-0-	-0-	-0-	(21)
<u>TOTAL CLASS I MILK</u>	297,391	285,666	304,528	313,291
% July '57 compared with:	100.0	104.1	97.7	94.9
Class II Milk Pounds (Used to Produce)				
Butter	1,565	1,855	1,723	2,312
Cheddar and Cottage Cheese	9,871	9,992	10,664	10,922
Powder and Condensed Milk	55,763	80,051	105,826	105,163
Ice Cream	25,005	25,312	24,761	22,502
Inventory Variation	(1,833)	4,740	(2,658)	(2,371)
Other <sup>1/</sup>	9,512	7,905	8,742	7,355
<u>TOTAL CLASS II MILK</u>	99,883	129,855	149,058	145,883
% July '57 compared with:	100.0	76.9	67.0	68.5
% Producer Milk of Gross Class I	125.6	137.4	141.1	139.2
% Producer Skim of Gross Class I Skim	124.9	136.5	140.3	138.3
% Producer Bf. of Gross Cl. I Bf.	145.7	160.8	163.4	163.4
% Producer Milk Priced in Class I	74.8	68.1	66.5	67.5

<sup>1/</sup> Includes stockfeed, sour cream, eggnog, overage, and shrinkage.

## PRODUCER MILK CLASSIFICATION (DAILY AVERAGE)

(1,000 lbs. per day)





SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JULY 1957  
Based on 21 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		9,219,097	3.618		
Less Other Source		559,889	3.859		
Producer Milk Class I	74.8	8,659,208	3.602523	\$4.973943	\$430,704.07
Gross Class II		3,096,382	5.618		
Less Other Source		174,759	.019		
Producer Milk Class II	25.2	2,921,623	5.953403	4.368314	127,625.67
TOTAL PROD. (Cl. I + Cl. II)	100.0	11,580,831	4.195606		558,329.74
Less Fractional Adjustment					.02
Add Unpriced Milk Allocated to Cl. I					555.65
Add Overage Value					199.49
Add Inventory Reclass. Value					35.24
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,167.10
TOTAL VALUE AT TEST		11,580,831	4.195606		564,287.20
Less Test over 4% @ 7.1¢ per point		11,580,831	.195606	0.138880	16,083.46
TOTAL VALUE AT 4% TEST		11,580,831	4.0		548,203.74
		Pounds	Price-4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,574,099	\$3.04	\$47,852.61	
Total Excess Producer Milk		1,574,099	3.040000	47,852.61	
Less Prod.-Settlement Fund Res. @ 4¢		1,574,099	.04		629.64
UNIFORM EXCESS PRICE f.o.b. PLANT		1,574,099	3.00		47,222.97
Value of Base Milk (Total less excess)		10,006,732	5.000145		500,351.13
Less Prod.-Settlement Fund Reserve		10,006,732	.040145		4,017.20
UNIFORM BASE PRICE f.o.b. PLANT		10,006,732	4.96		496,333.93

JULY 1957 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
BUTTERFAT DIFFERENTIAL 7.1¢ PER POINT

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.25	\$2.29	4.0	\$4.96	\$3.00	5.0	\$5.67	\$3.71
3.05	4.2855	2.3255	4.05	4.9955	3.0355	5.05	5.7055	3.7455
3.1	4.231	2.361	4.1	5.031	3.071	5.1	5.741	3.781
3.15	4.3565	2.3965	4.15	5.0665	3.1065	5.15	5.7765	3.8165
3.2	4.392	2.432	4.2	5.102	3.142	5.2	5.812	3.852
3.25	4.4275	2.4675	4.25	5.1375	3.1775	5.25	5.8475	3.8875
3.3	4.463	2.503	4.3	5.173	3.213	5.3	5.883	3.923
3.35	4.4985	2.5385	4.35	5.2085	3.2485	5.35	5.9185	3.9585
3.4	4.534	2.574	4.4	5.244	3.284	5.4	5.954	3.994
3.45	4.5695	2.6095	4.45	5.2795	3.3195	5.45	5.9895	4.0295
3.5	4.605	2.645	4.5	5.315	3.355	5.5	6.025	4.065
3.55	4.6405	2.6805	4.55	5.3505	3.3905	5.55	6.0605	4.1005
3.6	4.676	2.716	4.6	5.386	3.426	5.6	6.096	4.136
3.65	4.7115	2.7515	4.65	5.4215	3.4615	5.65	6.1315	4.1715
3.7	4.747	2.787	4.7	5.457	3.497	5.7	6.167	4.207
3.75	4.7825	2.8225	4.75	5.4925	3.5325	5.75	6.2025	4.2425
3.8	4.818	2.858	4.8	5.528	3.568	5.8	6.238	4.278
3.85	4.8535	2.8935	4.85	5.5635	3.6035	5.85	6.2735	4.3135
3.9	4.889	2.929	4.9	5.599	3.639	5.9	6.309	4.349
3.95	4.9245	2.9645	4.95	5.6345	3.6745	5.95	6.3445	4.3845

## SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Sept.'56	\$5.00 <sup>1/</sup>	-	-	7.2¢	\$5.28	7.7¢	\$3.57	6.9¢
Oct.	5.08 <sup>1/</sup>	-	-	7.3¢	5.32	7.8¢	3.60	7.0¢
Nov.	5.02 <sup>1/</sup>	-	-	7.4¢	5.35 <sup>1/</sup>	7.9¢	3.65	7.1¢
Dec.	4.93 <sup>1/</sup>	-	-	7.2¢	5.40 <sup>1/</sup>	8.0¢	3.55	6.9¢
Jan.'57	4.97 <sup>1/</sup>	-	-	7.1¢	5.37 <sup>1/</sup>	7.8¢	3.53	6.8¢
Feb.	4.90 <sup>1/</sup>	-	-	7.1¢	5.36 <sup>1/</sup>	7.7¢	3.24	6.8¢
Mar.	4.76 <sup>2/</sup>	\$5.01 <sup>1/</sup>	\$3.14	7.1¢	5.33	7.7¢	3.18	6.8¢
Apr.	4.55 <sup>2/</sup>	4.90 <sup>1/</sup>	3.09	7.1¢	5.28	7.7¢	3.13	6.8¢
May	4.54 <sup>2/</sup>	4.88 <sup>1/</sup>	3.07	7.1¢	5.28	7.7¢	3.11	6.8¢
June	4.55 <sup>2/</sup>	4.82 <sup>1/</sup>	3.04	7.1¢	5.28	7.7¢	3.08	6.8¢
July	4.69 <sup>2/</sup>	4.96	3.00	7.1¢	5.28	7.7¢	3.04	6.8¢
Aug.	-	-	-	-	5.28	7.7¢	-	-

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS						ALTERNATIVE FORMULAS				Highest
	Chi. 92 <sup>o</sup>	Chi.Area	Wisconsin	Cond.	Butter-	Butter-	4 Tenn.	or Basic			
	Butter	Powders	Cheese	Mid-West	Cheese	Powder	Milk mfgs	Formula			
	¢ lb.	¢ lb.	¢ lb.	\$-cwt-4%	\$-cwt-4%	\$-cwt-4%	\$-cwt-4%	\$-cwt-4%			
July'56	59.208	14.155	33.188	3.41	3.23	3.52	-	3.52			
Aug.	59.462	14.310	33.175	3.44	3.24	3.53	3.08	3.53			
Sept.	60.283	14.280	33.172	3.54	3.28	3.57	3.12	3.57			
Oct.	60.842	14.225	33.094	3.58	3.30	3.60	3.16	3.60			
Nov.	61.881	14.305	33.000	3.63	3.35	3.65	3.21	3.65			
Dec.	59.934	14.270	33.062	3.62	3.26	3.55	3.21	3.62			
Jan.'57	59.386	14.275	33.250	3.61	3.24	3.53	3.26	3.61			
Feb.	59.375	14.235	33.417	3.58	3.24	3.53	3.24	3.58			
Mar.	59.375	14.230	33.534	3.53	3.24	3.53	3.18	3.53			
Apr.	59.375	14.285	33.218	3.45	3.24	3.53	3.13	3.53			
May	59.375	14.265	33.208	3.42	3.24	3.53	3.11	3.53			
June	59.375	14.305	33.208	3.41	3.24	3.53	3.08	3.53			
July	59.375	14.155	33.208	3.40	3.24	3.53	3.04	3.53			

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/					Number of		Deliveries Per Farm - - Pounds			Prod. Milk
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.	Gross Repts.	Hdlrs.	Prods	Prod.	Base	Exc.	Test
Sept. '56	328011	305451	348940	-	378245	21	801	436	-	-	4.43
Oct.	341141	320375	362430	-	391553	21	864	419	-	-	4.51
Nov.	332580	314230	379289	-	401712	21	857	443	-	-	4.58
Dec. 4/	303228	284777	369649	-	393126	20	799	463	-	-	4.51
Jan. '57	322403	303733	377851	-	400561	20	801	472	-	-	4.53
Feb.	324867	304917	384231	-	408549	20	798	481	-	-	4.40
Mar.	317144	298694	399122	345918	421647	20	794	503	436	67	4.36
Apr.	313291	294353	436110	351986	459174	20	797	547	442	105	4.24
May	304528	285623	429684	349056	453586	20	793	542	440	102	4.21
June	285666	267244	392416	334412	415521	20	793	495	422	73	4.23
July	297391	279329	373575	322798	397274	21	792	472	408	64	4.20

<sup>1/</sup> Excludes Premium.<sup>2/</sup> For statistics only.<sup>3/</sup> Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess receipts is Producer minus Base.<sup>4/</sup> Audited figures through December 1956.